

**MINUTES OF THE REGULAR MEETING OF  
THE ELOY CITY COUNCIL  
CITY OF ELOY  
628 NORTH MAIN STREET  
JUNE 27, 2016  
6:00 P.M.**

**Staff Present:** Harvey Krauss-City Manager; Stephen R. Cooper-City Attorney; Mary Myers-City Clerk; William Pitman Chief of Police; Brian Wright-Finance Director; Ken Martin-City Engineer/Public Works Director; Rus Ketcham-Library Director; Jon Vlaming-Community Development Director; Zenia Cornejo-Management Assistant

**I. CALL TO ORDER**

Mayor Belloc called the meeting to order at approximately 6:01 p.m.

**II. INVOCATION**

Invocation was given by Mayor Belloc.

**III. PLEDGE OF ALLEGIANCE**

Mayor Belloc led Council and the public in the Pledge of Allegiance.

**IV. ROLL CALL**

Council Members Present: Councilmember JoAnne Galindo; Councilmember Andrew Rodriguez; Mayor Joel Belloc; Vice Mayor Micah Powell; Councilmember J.W. Tidwell; Councilmember Augustine Saucedo

Council Members Absent: Councilmember J.R. Nagy (excused)

**V. COMMUNICATIONS**

Mr. Krauss conveyed the following communications to Council:

- Reminded Council of a special meeting June 30<sup>th</sup> at 5:30 p.m. The meeting will pertain to public hearings on the truth in taxation property tax levy, final budget and a resolution adopting the final budget.

**VI. APPEARANCES FROM THE FLOOR**

None.

**VII. EXECUTIVE SESSION**

No executive session needed tonight.

**VIII. CONSENT AGENDA**

Agenda Item

Subject

IX-A. Approval of Minutes: 6/13/16 (regular)

IX-B. Adoption of Resolution No. 16-1392 authorizing the Eloy Police Department to enter into a five (5) year purchase agreement with Taser International, Inc. for the purchase of 25 Taser Axon Body 2 on-officer camera systems, and enter into an agreement for maintenance and support.

IX-C. Approval of the final payment to Standard Construction Company and acceptance of the CDBG- RA 11th Street Improvement and Waterline Replacement Project.

Motion by Councilmember Tidwell, seconded by Vice Mayor Powell to approve the Consent Agenda as presented, passed unanimously by roll call vote.

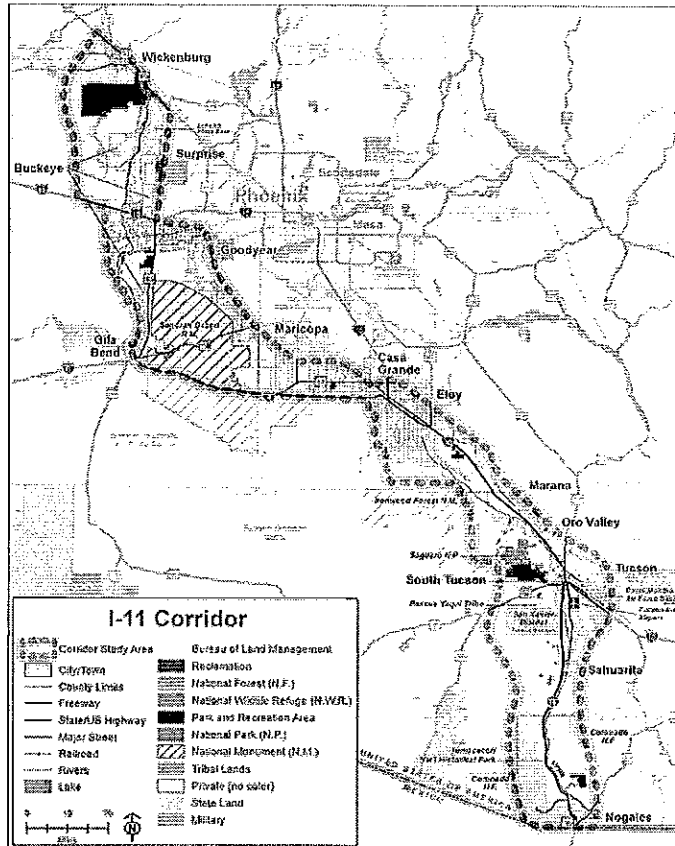
**IX. BUSINESS**

**D. ADOPTION OF RESOLUTION NO. 16-1394 SUPPORTING THE PREPARATION OF THE INTERSTATE 11 (I-11) TIER 1 ENVIRONMENTAL IMPACT STATEMENT (EIS).**

*Cover sheet discussion: Council adopt Resolution 16-1394 supporting the preparation of the Interstate 11 Tier 1 Environmental Impact Statement (EIS) to promote freight movement, link communities and enhance job growth in Eloy and throughout Pinal County.*

*In 2012, the Arizona Department of Transportation (ADOT), Nevada Department of Transportation (NDOT) and Federal Highway Administration (FHWA) embarked on a two year feasibility study to assess the need for another interstate route connecting Mexico and the Southwest portion of the United States. In 2014, the study was completed, which demonstrated the need for such a transportation corridor, which now has prompted the next step, which is the Tier 1 Environmental Impact Statement (EIS).*

*The EIS will be completed in accordance with the National Environmental Policy Act (NEPA) and will consider possible interstate routes between Nogales and Wickenburg, as well as a no-build alternative. ADOT is now in the scoping phase of the project, with comments due by early July 2016. The entire process is expected to be complete in three years. During the process, public information meetings will be held when corridor alternatives are identified and then will be followed by public hearings when the Draft Environmental Impact Study (DEIS) is prepared and available for public review. The DEIS will then transition to the Final Environmental Impact Statement (FEIS) portion of the study and ultimately result in a Record of Decision (ROD), which records the EPA's decisions concerning the proposed action.*



### **FISCAL IMPACT:**

*There is no direct fiscal impact to the City for the preparation of this study. However, the potential fiscal impact to the City could be substantial if Interstate 11 is designed and constructed. This new limited access roadway will provide additional freeway capacity for Interstate 10, expedite freight movement between originations and destinations, foster local economic development along its corridor and proximate area, and increase vehicular connectivity among communities in Pinal County.*

Mr. Krauss gave a brief explanation of the proposed resolution which supports the preparation of I-11 Tier 1 EIS.

Mayor Belloc stated that the Sun Corridor board is scheduled to have a phone conference to act on the resolution as well.

Motion by Councilmember Saucedo, seconded by Councilmember Rodriguez to read Resolution No. 16-1394 by title only, passed unanimously.

Vice Mayor Powell asked will Council adoption of the resolution be to support the project in general.

Mr. Krauss said yes; this is the beginning of the process where they determine potential routes and alternatives. He pointed out that Council has already taken a position on one of the two alternatives for the south corridor.

Motion by Vice Mayor Powell, seconded by Councilmember Tidwell to adopt Resolution No. 16-1394, passed unanimously by roll call vote.

**E. CONSIDERATION OF A FIXED BASED OPERATOR (FBO) AGREEMENT WITH AERO SPECIALIST FOR AVIATION-RELATED SERVICES AT THE ELOY MUNICIPAL AIRPORT.**

**Cover sheet discussion:** *Council approves a five-year Fixed Based Operator (FBO) Agreement with Aero Specialist for providing aviation-related services at the Eloy Municipal Airport.*

*The City of Eloy currently has an FBO Agreement with Aero Specialist. The Agreement has been in effect since December 18, 1995. In addition to the FBO Agreement, Hangar 5 was leased to Aero Specialist since 1995. Both Agreements were due to expire in December of 2015. The Eloy City Council approved a six-month extension of the Hangar Lease as well as the FBO Agreement on January 11, 2016 to provide time to complete the procurement process for the selection of an FBO and negotiate a new FBO Agreement.*

*Staff published a Request for Proposal (RFP) in the Casa Grande Dispatch from February 16 through February 19, 2016. The due date to submit the proposals was March 14, 2016. Unfortunately, the City did not have any proposals for the new FBO Agreement. The Eloy Municipal Airport has a unique situation in relation to the fuel farm. The fuel farm is located on the airport premises; however the fuel tank is owned and operated by Mr. Hill/Skydive Arizona.*

*The new FBO Agreement has new requirements, the most important being the fuel flowage fee. The FBO will pay an amount equal to \$.08 per gallon for each gallon of Jet A or AV Gas pumped at the Airport.*

*The FBO will also have the opportunity to lease Hangar 5, a 3000 square foot hangar building located adjacent to the fuel farm, next to the Pilot Lounge. The new Lease Agreement for Hangar 5 will increase the current rent to \$1,500 per month for a total of \$18,000 per year with an increase of 3% on each anniversary of the original effective date of the Agreement, which will be July 1, 2016.*

*Lastly, the FBO will continue to pay the City a monthly tie-down fee of \$280.00 per month for a total of \$3,360 per year with an increase of 3% on each anniversary of the original effective date of the Agreement. The term of the Agreement is five years with an option for a five year extension.*

**FISCAL IMPACT:**

*The Airport budget projects an annual increase of \$8,400.00 for the Lease Agreement of Hangar 5 for Fiscal Year 2016-2017. The Fuel Flowage Fee will vary based upon sales; however it will result in an increase in revenue to the airport budget. The increase in funds will be invested into airport improvements rather than using General Fund monies.*

Mr. Krauss gave an overview of the proposed FBO agreement with Aero Specialists, owned by Larry, Shawn and Steve Hill. Mr. Krauss said city staff and the Hills met to renegotiate a new agreement which is before Council tonight for approval. He said the Hills have reviewed and accepted the agreement. The agreement was also presented to the Airport Advisory Board last week and was recommended for Council approval.

Vice Mayor Powell wanted to know would the tie down fees be applied whether they are used or not.

Mr. Krauss said only if they are used.

Councilmember Tidwell said he understands that the Hills pay the city \$280 per month whether there is an airplane parked or if they are all taken.

Councilmember Tidwell said he met with the Hills Friday afternoon about the agreement. Their only concern was using the tie down fees for taxiways. The Hills believes a better way to utilize the money would be to extend the runway so other jets could be brought in. He said by using the money for taxiway, the Hills are losing tie downs.

Mr. Krauss said Councilmember Tidwell is referring to the widening of the taxiways, which is another project; taking out some of the tie downs. He pointed out that the proposed agreement before Council tonight does not address this.

Councilmember Galindo thanked city staff, the advisory board and the Hill family for working together on this agreement. At a national conference recently attended by her and several other council members, she found out that federal funds are limited and very competitive. Councilmember Galindo voiced that the city is very fortunate to receive grant funds from the FAA. She said she is sure the Council joins her in thanking the Hills for having a great organization and putting Eloy on the map internationally.

Mayor Belloc asked about liability insurance on page 7 of the agreement. He wanted to know if the amount of coverage listed in this section sufficient enough to cover parachute incidents at the airport.

Mr. Cooper explained that this coverage is for the FBO and not for skydiving activities. It is his understanding that due to the nature of skydiving, one cannot obtain liability insurance for skydivers.

Mr. Cooper conveyed there has been case law established in Arizona that states the city is responsible for what happens on the ground. If someone is injured on airport grounds, there is a possibility that the city would be held responsible. However, once the person is in a plane; the plane taxi onto the runway and takes off, all liability ends as soon as they leave the airport. Mr. Cooper said if the FBO is negligent, there is \$2,000,000 in liability coverage. The city also carries excess liability coverage for the airport through the risk pool.

Motion by Vice Mayor Powell, seconded by Councilmember Tidwell to approve a Fixed Based Operator (FBO) Agreement with Aero Specialist for aviation-related services at the Eloy Municipal Airport, passed unanimously by roll call vote.

**X. INFORMATIONAL ITEMS**

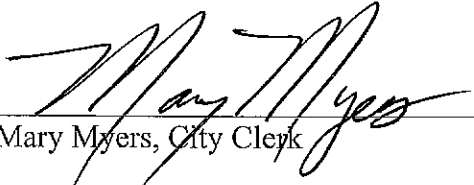
No informational items.

**XI. ADJOURNMENT**

There being no further business, Mayor Belloc adjourned the meeting at approximately 6:23 p.m.

  
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Joel G. Belloc, Mayor

ATTEST:

  
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Mary Myers, City Clerk